

CONTRACT #1
RFS # 329.01-16507
FA # 07-17110-00

Correction

VENDOR:
MHM Correctional Services,
Inc.



STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
6TH FLOOR RACHEL JACKSON BUILDING
320 SIXTH AVENUE NORTH
NASHVILLE, TENNESSEE 37243-0465
OFFICE (615) 741-1000 EXT. 8104 • FAX (615) 741-4605

MEMORANDUM

TO: Leni Chick
Contract & Audit Coordinator
Fiscal Review Committee Staff

FROM: William M. Anderson, Director
Contracts Administration

DATE: October 5, 2009

SUBJECT: Request for Non-Competitive Amendment
32901-16507
FA-07-17110-00
MHM Correctional Services, Inc.

RECEIVED

OCT 06 2009

FISCAL REVIEW

Enclosed is a Non-Competitive Amendment Request to the contract between the Department of Correction, and MHM Correctional Services, Inc.. The enclosed supporting documentation details information required pursuant to Department of Finance and Administration rules and policy.

- 1) Original Contract
- 2) Summary sheet for contract
- 3) Request for Non-Competitive Amendment
- 4) Proposed Amendment 1
- 5) Supplement Documentation Required for Fiscal Review Committee

The Tennessee Department of Correction respectfully submits this Non-Competitive Amendment Request for Fiscal Review Committee comments and/or approval.

Thank you for your consideration of this matter.

/lr
Enclosures

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	William M. Anderson		*Contact Phone:	615.253.8105	
*Contract Number:	FA-07-17110-00		*RFS Number:	32901-16507	
*Original Contract Begin Date:	01/01/07		*Current End Date:	12/31/09	
Current Request Amendment Number: <i>(if applicable)</i>			One (1)		
Proposed Amendment Effective Date: <i>(if applicable)</i>			1/01/10		
*Department Submitting:			Correction		
*Division:			Fiscal Services		
*Date Submitted:			October 6, 2009		
*Submitted Within Sixty (60) days: <i>If not, explain:</i>			Yes		
*Contract Vendor Name:			MHM Correctional Services, Inc.		
*Current Maximum Liability:			\$17,115,000.00		
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
\$2,744,000.00	\$5,614,000.00	\$5,784,000.00	\$2,973,000.00	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY	FY
\$2,579,494.00	\$5,062,158.00	\$5,141,407.00	\$832,500.00	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Surplus funds reverted at year-end.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			There is no authority to carry funds forward.		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		
*Contract Funding Source/Amount:	State:	\$17,115,000.00	Federal:		
Interdepartmental:			Other:		

Supplemental Documentation Required for Fiscal Review Committee

If "other" please define:	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>	Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>
N/A	
Method of Original Award: <i>(if applicable)</i>	Request for Proposal (RFP)
Include a detailed breakdown of the actual expenditures anticipated in each year of the contract. Include specific line items, source of funding, and disposition of any excess fund. <i>(if applicable)</i>	This amendment extends the contract into Year 4. Per the original contract Year 4 is reimbursed at a rate of \$.92 per diem. These are state funds and excess funds are reverted to the General Fund.
Include a detailed breakdown, in dollars, of any savings that the department anticipates will result from this contract. Include, at a minimum, reduction in positions, reduction in equipment costs, reduction in travel. <i>(if applicable)</i>	No savings are anticipated. Funding not used reverts to the General Fund.
Include a detailed analysis, in dollars, of the cost of obtaining this service through the proposed contract as compared to other options. <i>(if applicable)</i>	This amendment extends the contract into Year 4 under the same terms as were contained in the original competitively bid RFP and under the resulting contract. Based on the minimum salary for mental health professionals in the state's classification/compensation plan, employee positions are less expensive, however, the current state class./comp. plan is not competitive in this profession and this department can not attract and retain staff. The department is required to provide a level of mental health services that meets an established community standard of care and contract allows us to do it.

Contracts object code 08 detail FY07

REPORT FILTER:

(Department = 329:DEPARTMENT OF CORRECTION) And ((Effective Year) = 2007) And (((Funding Year) = 2007) And ((Major Object) = 08:PROFESSIONAL AND ADMINISTRATIVE SERVICES) And (Division = 01:DIVISION OF ADMINISTRATION))

Department	Division	Major Object	Minor Object	Funding Year	Vendor Name	Transaction Document *	2007
329	01	08.3		2007	MHM SERVICES INC	B108	Total Expenditures
329	01	08.3		2007	MHM SERVICES INC	B108	334,442.57
329	01	08.3		2007	MHM SERVICES INC	B108	73,351.56
329	01	08.3		2007	MHM SERVICES INC	B108	0.00
329	01	08.3		2007	MHM SERVICES INC	B151	0.00
329	01	08.3		2007	MHM SERVICES INC	B151	334,323.22
329	01	08.3		2007	MHM SERVICES INC	B171	0.00
329	01	08.3		2007	MHM SERVICES INC	B171	77,579.40
329	01	08.3		2007	MHM SERVICES INC	B202	0.00
329	01	08.3		2007	MHM SERVICES INC	B202	324,397.70
329	01	08.3		2007	MHM SERVICES INC	B213	0.00
329	01	08.3		2007	MHM SERVICES INC	B213	77,213.59
329	01	08.3		2007	MHM SERVICES INC	B246	0.00
329	01	08.3		2007	MHM SERVICES INC	B246	336,781.83
329	01	08.3		2007	MHM SERVICES INC	CP651	0.00
329	01	08.3		2007	MHM SERVICES INC	CP651	80,798.98
329	01	08.3		2007	MHM SERVICES INC	B275	0.00
329	01	08.3		2007	MHM SERVICES INC	B275	325,409.70
329	01	08.3		2007	MHM SERVICES INC	B321	0.00
329	01	08.3		2007	MHM SERVICES INC	B321	78,957.42
329	01	08.3		2007	MHM SERVICES INC	B340	0.00
329	01	08.3		2007	MHM SERVICES INC	B340	336,041.86
329	01	08.3		2007	MHM SERVICES INC	B375	0.00
329	01	08.3		2007	MHM SERVICES INC	B375	79,315.41
329	01	08.3		2007	MHM SERVICES INC	B411	0.00
329	01	08.3		2007	MHM SERVICES INC	B411	369,336.45
329	01	08.3		2007	MHM SERVICES INC	B433	0.00
329	01	08.3		2007	MHM SERVICES INC	B433	89,020.05
329	01	08.3		2007	MHM SERVICES INC	B463	0.00
329	01	08.3		2007	MHM SERVICES INC	B463	333,985.40
329	01	08.3		2007	MHM SERVICES INC	B477	0.00
329	01	08.3		2007	MHM SERVICES INC	B477	82,105.04
329	01	08.3		2007	MHM SERVICES INC	B506	0.00
329	01	08.3		2007	MHM SERVICES INC	B506	370,770.85
329	01	08.3		2007	MHM SERVICES INC	B519	0.00
329	01	08.3		2007	MHM SERVICES INC	B519	81,167.52
329	01	08.3		2007	MHM SERVICES INC	B544	0.00
329	01	08.3		2007	MHM SERVICES INC	B544	356,796.00
329	01	08.3		2007	MHM SERVICES INC	B586	0.00
329	01	08.3		2007	MHM SERVICES INC	B586	81,799.54
329	01	08.3		2007	MHM SERVICES INC	B632	0.00
329	01	08.3		2007	MHM SERVICES INC	B632	368,425.70
329	01	08.3		2007	MHM SERVICES INC	B640	0.00
329	01	08.3		2007	MHM SERVICES INC	B640	89,954.52
329	01	08.3		2007	MHM SERVICES INC	B666	0.00
329	01	08.3		2007	MHM SERVICES INC	B666	356,133.00

Total FA0214850 2,458,613.24

Total FA0717110 2,579,494.07

Total FY07 \$5,038,107

Object code 08 detail, FY08

		Effective Year	2008
		Vendor Name	Total Expenditures
32901	083	NATIONAL COUNCIL ON CRIME & DELINQUENCY	16,034.17
32901	083	AMERICAN CORRECTIONAL ASSOCIATION	4,845.00
32901	083	MHM SERVICES INC	5,062,157.63
32901	083	PROJECT RETURN INC	134,982.44
32901	083	CORPORATE VIDEO, INC	1,644.00
32901	083	WORKFORCE ESSENTIALS INC	223,074.00
32901	083	OKLAHOMA SCORING SERVICES INC	4,248.75
32901	083	PTS OF AMERICA,LLC	56,033.44
32901	083	JFA ASSOCIATES LLC	37,000.00
32901	083	MEDTOX LABORATORIES INC	56,859.50
32901	083	CORRECTIONS RESEARCH INSTITUTE	9,000.00
32901	083	DONA L HOWELL	8,750.00
32901	083	ANDREW OSBORNE	3,600.00
32901	083	MOUNTAIN STATE CRIMINAL JUSTICE RESEARCH	4,000.00
32901	083	STANTON E SAMENOW PHD PC	4,900.00
32901	084	KIMBERLY CAPPS	70.84
32901	084	CHRIS L HAINES	108.10
32901	084	JAMES WALKER PHD	2,064.00
32901	084	DONNA L MOORE	1,400.00
32901	084	WILLIAM SCOTT WEST MD	10,200.00
32901	084	MAXIM HEALTHCARE SERVICES INC	123,422.31
32901	084	MEDICAL STAFFING NETWORK, INC.	50,963.82
32901	084	HOPE OF EAST TENNESSEE INC	78,486.00
32901	084	INDEPENDENT RADIOLOGY ASSOC.	249.00
32901	084	CORRECTIONAL COUNSELING INC	111,083.19
32901	084	LIFE COUNSELING SVCS PC	974.40
32901	084	YOU HAVE THE POWER	43,798.99
32901	084	NURSEFINDERS, INC	570.00
32901	084	NURSEFINDERS OF KNOXVILE	52,986.32
32901	084	APRIL A COKER	637.50
32901	084	PHYLLIS G TARKINGTON	800.00
32901	084	JENNIFER L THOMPSON	300.00
32901	084	FCM-MTC MEDICAL LLC	39,744,202.43
32901	084	LAKEISHA DAVIS	4,387.50
32901	084	REGINA TOOMES	225.00
32901	084	SPECTRUM	791,735.78
32901	084	SEDONA STAFFING SERVICES	136,199.32
32901	084	JAMES SANDEFUR	28,756.90
32901	084	DOUGLAS L VAN SICKLE	88.32
32901	084	VICKI HOOD	7,732.00
32901	084	GLENDA DIXON	3,066.44
32901	084	RUTH BLALOCK	3,569.50
32901	084	MELBA SHELTON	31,550.00
32901	084	RHONDA C MULLINS	25,247.50
32901	084	BETTY BRINKLEY	1,093.50
32901	084	BETH JENNINGS-CORNETT	14,276.00
32901	084	NANCY LUNDY	21,439.60
32901	084	SANDARA BROWN	6,282.50
32901	084	LUCY MULLINS	27,021.15
32901	084	JESSICA JOBES	38,361.60

MHM Expenditures for Fiscal Year 2008-2009

9/29/2009

Facility	July		August		September		October		November		December		January	
	July Invoice:	70,895.71	Aug Invoice:	85,547.29	Sept Invoice:	62,446.56	Oct Invoice:	63,838.31	Nov Invoice:	47,957.13	Dec Invoice:	36,526.87	Jan Invoice:	45,499.67
Pop	Per Diem & S. & T. Day	Psych Med	Pop	Per Diem & S. & T. Day	Psych Med	Pop	Per Diem & S. & T. Day	Psych Med	Pop	Per Diem & S. & T. Day	Psych Med	Pop	Per Diem & S. & T. Day	Psych Med
329.08	356	704.64	326	368.00	296	414.58	0	0.00	0	0.00	0	0.00	0	0.00
329.11	507	3,044.29	512	268.43	506	2,224.55	508	1,635.36	425	472.21	384	769.81	388	961.94
329.13	736	3,395.31	731	2,653.69	734	3,408.99	740	3,986.74	740	2,794.92	738	3,166.66	738	2,983.85
329.14	1,218	1,984.89	1,228	684.20	1,235	2,622.41	1,520	2,746.76	1,523	2,143.41	1,530	502.23	1,534	1,849.74
329.16	403	959.67	399	841.72	398	932.53	410	1,277.67	402	352.84	397	329.00	399	445.91
329.17	1,045	608.19	1,021	560.49	1,006	659.86	1,023	494.60	1,038	312.43	1,025	1,128.13	1,006	531.78
329.18	931	3,457.89	932	5,203.69	927	4,151.38	925	4,663.86	925	3,084.14	928	3,509.78	928	2,630.13
329.41	2,470	7,480.51	2,479	6,878.77	2,485	4,483.22	2,471	3,714.75	2,461	3,065.66	2,425	1,504.95	2,450	2,180.40
329.42	683	2,598.19	690	2,751.80	693	3,684.22	699	3,527.08	699	2,634.01	689	571.76	690	2,893.81
329.43	1,792	13,669.76	1,785	11,567.89	1,779	9,836.37	1,771	8,135.59	1,753	5,809.76	1,750	6,072.62	1,740	5,329.45
329.45	2,294	7,984.32	2,300	7,454.76	2,301	8,127.06	2,301	10,133.80	2,300	9,983.83	2,305	5,589.18	2,311	6,340.66
329.45	730	21,985.74	726	22,799.47	715	19,520.00	711	20,371.39	718	12,809.31	707	11,620.59	697	16,246.52
329.47	971	3,022.34	970	3,616.68	977	2,380.42	979	3,160.74	1,071	3,494.63	1,174	3,782.19	1,186	3,105.50
Totals	14,147	70,895.71	14,100	85,547.29	14,052	62,446.56	14,057	63,838.31	14,056	47,957.13	14,052	36,526.87	14,076	45,499.67

MHM Expenditures for Fiscal Year 2008-2009

9/29/2009

Facility Invoice:	February		March		April		May		June		Subtotals			
	Pop	Psych Med	Pop	Psych Med	Pop	Psych Med	Pop	Psych Med	Pop	Psych Med	Total Invoices	Coal/Day	Per Day	Psych Med
329.08	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	82	0.92	29,155.12	1,487.22
329.11	385	844.49	383	754.51	376	642.31	272	248.54	11	21.01	398	0.97	128,040.98	11,888.41
329.13	732	3,339.46	735	2,139.87	741	2,497.61	741	2,073.75	739	1,903.63	737	1.01	227,495.25	34,225.40
329.14	1,520	1,513.15	1,520	1,638.65	1,517	1,805.44	1,518	705.78	1,520	1,810.25	1,449	0.92	106,693.89	20,006.89
329.16	417	146.96	414	422.72	405	499.15	405	592.10	408	578.10	405	0.93	154,492.04	7,398.55
329.17	1,039	1,458.89	1,018	481.76	1,013	314.04	1,036	170.10	1,020	301.49	1,024	0.90	398,663.43	7,011.73
329.18	932	1,899.81	935	2,207.67	928	2,463.72	925	1,958.19	931	2,609.69	923	1.00	259,780.84	37,838.92
329.41	2,444	1,769.93	2,482	3,435.50	2,449	2,809.71	2,464	2,710.24	2,449	1,879.81	2,453	0.93	730,784.55	41,911.41
329.42	686	2,200.96	689	2,066.91	702	1,634.00	702	1,303.77	698	2,075.73	694	0.99	224,194.82	27,942.22
329.43	1,726	3,677.42	1,760	4,395.35	1,787	5,394.50	1,794	6,304.31	1,782	6,149.13	1,785	1.02	571,628.51	87,441.90
329.45	2,290	4,394.00	2,283	3,718.08	2,302	5,663.19	2,305	3,605.44	2,309	4,377.28	2,301	0.96	763,497.57	77,291.68
329.46	705	12,879.81	707	15,372.08	719	11,062.17	695	17,018.76	706	19,890.68	711	1.66	229,543.76	201,576.49
329.47	1,230	2,485.17	1,241	1,927.02	1,234	1,819.77	1,304	2,810.77	1,504	2,976.78	1,154	0.97	302,720.63	34,581.99
Totals	14,117	36,610.01	14,167	38,560.08	14,173	36,625.58	14,151	39,462.72	14,076	44,573.57	14,102	1.00	4,559,063.95	590,543.48

Grand Total819,888.95431,124.65252,107.03337,620.76137,900.39487,090.57272,160.64

EDISON QUERY FY 2010

AP vchtrs pd CF,FY,PI 604

Unit	Fiscal Year	PO No	Vendor ID	Vendor Name	Postal	Amount	Print Date
32901	2010	0000002250	0000042493	Mhm Services Inc 22182-2249		42,371.53	8/25/2009
32901	2010	0000002249	0000042493	Mhm Services Inc 22182-2249		392,971.50	9/3/2009
32901	2010	0000002834	0000042493	Mhm Services Inc 22182-2249		397,156.50	9/14/2009
FY10						832,499.53	paid thru 092309

NON-COMPETITIVE AMENDMENT REQUEST:**APPROVED****Commissioner of Finance & Administration**

1) RFS #	32901-16507 (Edison ID 6674)		
2) Procuring Agency :	TENNESSEE DEPARTMENT OF CORRECTION		
EXISTING CONTRACT INFORMATION			
3) Service Caption :	MENTAL HEALTH SERVICES FOR INMATES		
4) Contractor :	MHM CORRECTIONAL SERVICES, INC.		
5) Contract #	FA-07-17110-00		
6) Contract Start Date :	01/01/2007		
7) CURRENT Contract End Date : (if ALL options to extend the contract are exercised)	12/31/2009		
8) CURRENT Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 17,115,000.00		
PROPOSED AMENDMENT INFORMATION			
9) Amendment #	1		
10) Amendment Effective Date : (attached explanation required if < 60 days after F&A receipt)	1/1/2010		
11) PROPOSED Contract End Date : (if ALL options to extend the contract are exercised)	12/31/2010		
12) PROPOSED Maximum Cost : (if ALL options to extend the contract are exercised)	\$ 23,558,200.00		
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
14) Description of the Proposed Amendment Effects & Any Additional Service :			
Amendment does not propose additional services.			
15) Explanation of Need for the Proposed Amendment :			
The proposed amendment exercises the term extension, and allows the contractor to continue to provide inmate medical care services without interruption at a price specified in the current contract.			
16) Name & Address of Contractor's Current Principal Owner(s) : (not required for a TN state education institution)			
MHM Correctional Services, Inc. , 1593 Spring Hill Road, Suite 610, Vienna, Virginia 22182			
17) Office for Information Resources Endorsement : (required for information technology service; n/a to THDA)			
Documentation is ... <input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Attached to this Request			
18) eHealth Initiative Endorsement : (required for health-related professional, pharmaceutical, laboratory, or imaging service)			
Documentation is ... <input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Attached to this Request			

19) Department of Human Resources Endorsement : (required for state employees training service)Documentation is ... ☒ **Not Applicable to this Request** ☐ **Attached to this Request****20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

The proposed amendment extends the contract for an additional year in accordance with the rates in the contract as submitted by the Contractor in response to TDOC's RFP. To maintain the continuity of services and to maintain the contracted rates, the Tennessee Department of Correction did not seek other contractors to provide these services.

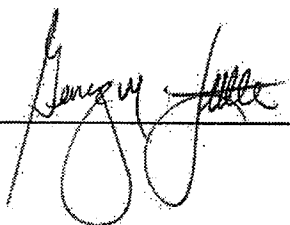
21) Justification for the Proposed Non-Competitive Amendment :

This Contractor was awarded the contract in 2006 based on being the best evaluated proposer to TDOC's RFP. Since there is no change in the rates or cost of the contract, and since this amendment provides for continuity of services and cost to the State, it is in the best interest of the State to exercise the extension option in the contract.

AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE & DATE



9-14-09



C O N T R A C T A M E N D M E N T

Agency Tracking # 32901-16507	Edison ID 6674	Contract # FA-07-17110-00	Amendment # 1
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Contractor MHM Correctional Services, Inc.	Contractor Federal Employer Identification or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 541256340
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Amendment Purpose/ Effects Mental Health Services
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Contract Begin Date 01/01/07	Contract End Date 12/31/10	Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #(s) N/A
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$2,744,000.00				\$2,744,000.00
2008	\$5,614,000.00				\$5,614,000.00
2009	\$5,784,000.00				\$5,784,000.00
2010	\$6,208,200.00				\$6,208,200.00
2011	\$3,208,000.00				\$3,208,000.00
TOTAL:	\$23,558,200.00				\$23,558,200.00

American Recovery and Reinvestment Act (ARRA) Funding – ☐ YES ☒ NO

— COMPLETE FOR AMENDMENTS —			Agency Contact & Telephone # Lester Lewis, M.D. 615.253.8210	
END DATE AMENDED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred) Joey Gallaher 615.253.8096	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY		
2007	\$2,744,000.00			
2008	\$5,614,000.00			
2009	\$5,784,000.00			
2010	\$2,973,000.00	\$3,235,200.00		
2011		\$3,208,000.00	Speed Code	Account Code 70803000
TOTAL:	\$17,115,000.00	\$6,443,200.00		

— OCR USE —

Procurement Process Summary (non-competitive, FA- or ED-type only)
Non-Competitive Amendment – Contract obtained through the RFP Process

AMENDMENT ONE TO FA-07-17110-00

This Contract Amendment is made and entered by and between the State of Tennessee, **DEPARTMENT OF CORRECTION**, hereinafter referred to as the "State" and **MHM CORRECTIONAL SERVICES, INC.**, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section **B.1.** is deleted in its entirety and replaced with the following:

B. CONTRACT TERM:

- B.1. Contract Term:** This Contract shall be effective for the period commencing on **JANUARY 1, 2007** and ending on **DECEMBER 31, 2010**. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

2. The text of Contract Section **C.1.** is deleted in its entirety and replaced with the following:

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability.** In no event shall the maximum liability of the State under this **TWENTY THREE MILLION FIVE HUNDRED FIFTY EIGHT THOUSAND TWO HUNDRED DOLLARS (\$23,558,200.00)**. The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

3. The following provision is added as Contract Section **D.20.**:

- D.20. Prohibition of Illegal Immigrants.** The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment **ONE**, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
4. Contract Attachment **ONE - ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE** attached hereto is added as a new Contract Attachment.
5. The following provision is added as Contract Section **D.21**.:
- D.21. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*.
6. The following provision is added as Contract Section **E.17**.:
- E.17. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
 - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to

work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.

- c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: www.state.tn.us/finance/rds/ocr/waiver.html. The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.

The revisions set forth herein shall be effective on the date of final approval by the appropriate State officials in accordance with applicable Tennessee State laws and regulations. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MHM CORRECTIONAL SERVICES, INC.:

Steven H. Wheeler, President and CEO
CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF CORRECTION:

George M. Little, Commissioner

DATE

ATTACHMENT ONE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	FA-07-17110-00 (RFS 32901-16507)
CONTRACTOR LEGAL ENTITY NAME:	MHM CORRECTIONAL SERVICES, INC.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	541256340

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

CONTRACT SUMMARY SHEET

021406

RFS #		Contract #	
329.01-165		FA-07-1110-00	
State Agency		State Agency Division	
Department of Correction		Medical Services	
Contractor Name		Contractor ID # (FEIN or SSN)	
MHM Correctional Services, Inc.		C- or <input checked="" type="checkbox"/> V- 541856340	
Service Description			
Mental Health Services for Inmates			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
1/1/2007	12/31/2009	Vendor	n/a

Mark Each TRUE Statement

☒ Contractor is on STARS ☒ Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
329.01	43	083	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$ 2,744,000.00				\$ 2,744,000.00
2008	\$ 5,614,000.00				\$ 5,614,000.00
2009	\$ 5,784,000.00				\$ 5,784,000.00
2010	\$ 2,973,000.00				\$ 2,973,000.00
					\$ -
					\$ -
TOTAL	\$ 17,115,000.00	\$ -	\$ -	\$ -	\$ 17,115,000.00

OCR RELEASED

NOV 22 2006

TO ACCOUNTS

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Garland Johnson 741-1,000 Ext. 8096
			State Agency Budget Officer Approval
			<i>[Signature]</i>
			Funding Certification (certification required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL	\$ -	\$ -	
End Date			

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged—			

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
--

N/A since this was done through the RFP Process.

PROCESS
 DEC - 4 2009
 DIRECTOR OF ACCOUNTS

**CONTRACT
BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
AND
MHM CORRECTIONAL SERVICES, INC.**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" or "TDOC" and MHM Correctional Services, Inc., hereinafter referred to as the "Contractor," is for the provision of Mental Health Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation. The Contractor's address is:

1593 Spring Hill Road, Suite 610 Vienna, Virginia 22182

The Contractor's place of incorporation or organization is Delaware.

A. SCOPE OF SERVICES:

A.1. The Contractor is obligated to provide the services described herein to inmates incarcerated at the following institutions:

- A.1.a. Brushy Mountain Correctional Complex (BMCX)
- A.1.b. Charles B. Bass Correctional Complex (CBCX)
- A.1.c. Lois M. DeBerry Special Needs Facility (DSNF)
- A.1.d. Mark H. Luttrell Correctional Center (MLCC)
- A.1.e. Northeast Correctional Complex (NECX)
- A.1.f. Northwest Correctional Complex (NWCX)
- A.1.g. Riverbend Maximum Security Institution (RMSI)
- A.1.h. Southeastern Tennessee State Regional Correctional Facility (STSRCF)
- A.1.i. Tennessee Prison For Women (TPW)
- A.1.j. Turney Center Industrial Prison and Farm (TCIP)
- A.1.k. Wayne County Boot Camp (WCBC)
- A.1.l. West Tennessee State Penitentiary (WTSP)

A.2. GENERAL

A.2.a. All mental health services provided under this contract shall be in conformance with all TDOC policies, American Correctional Association (ACA) Standards, federal, state standards and court orders, as they may be amended from time to time. TDOC Policies may be reviewed at the institutions or the Department's Central Office.

The contractor will be responsible for providing services at the twelve (12) state managed institutions. The Department defines services according to the following definition: "interventions which provide for the detection, diagnosis, treatment and referral of inmates/patients with mental health problems and the provision of a supportive environment when deemed clinically necessary."

Services are divided into two (2) categories: routine and ancillary as described below.

Routine services are defined as those services or programs that by policy, statute or patient need, necessitate clinical intervention. Routine services include psychological / psychiatric assessment, intake, psychological/ psychiatric evaluation, diagnosis, treatment plan development and crisis management. Routine services are time sensitive. For examples of routine services see **EXHIBIT FOUR – Examples of Routine and Ancillary Services.**

Ancillary services are defined as programmatic services presented in a psycho-educational format that are provided above and beyond the routine scope of mental health delivery, and are not clinical in nature. Ancillary services are optional; there is greater flexibility and state personnel normally provide this type of service. **EXHIBIT FOUR provides examples of ancillary services.**

- A.2.a.1) The State shall be responsible for notifying the Contractor in writing of any policy changes that will impact the Contractor.
- A.2.a.2) At the institutional level, the Contractor's clinicians shall administratively report to the State's Warden or designee. Clinical matters are the sole responsibility of the licensed psychiatrist/psychologist. The State's Director of Mental Health or designee shall assist in the statewide coordination of services, monitoring and continuous developmental aspects of the terms outlined in this contract.
- A.2.a.3) The Contractor's service providers shall coordinate with each TDOC warden a block of time to receive pre-service (basic) training and orientation. Training and orientation, in accordance with TDOC Policy 110.01, must be completed prior to the provider actively working on site.
- A.2.b. As part of the background check, the Contractor shall require each person hired or contracted to work at a facility to be electronically fingerprinted in accordance with procedures established by the Commissioner. The State will submit the fingerprints for a criminal history record check. Upon receiving the result, the State will promptly notify the Contractor whether the employee or subcontractor is cleared for further consideration for employment. The criminal history obtained from the National Crime Information Center (NCIC) or FBI may be used solely for the purpose requested, and may not be disseminated outside the Department of Correction or the affected employee. In no instance may an employee or subcontractor be assigned to a post until the criminal history record check has been completed; however, the provider may participate in preservice training while the check is in process. The State shall bear the cost of criminal history record checks and invoices shall be submitted directly to the State for processing by the provider performing the background checks. All other costs associated with employee and subcontractor background checks shall be the responsibility of the Contractor.
- A.2.c. The Contractor's service system shall provide a uniform and consistent continuum of quality mental health service delivery statewide. The Contractor shall work in concert with existing TDOC mental and medical professionals, and other contract entities, if applicable, in providing mental health care.
- A.2.d. The Contractor shall monitor and measure various Clinical and, when applicable, Programmatic mental health outcomes. For example, the Contractor shall monitor and evaluate patient response to prescribed psychiatric medications, i.e., the increase or decrease in positive and negative symptoms. The State, in a cooperative effort, shall assist in the development of additional outcome measures.

The Contractor shall abide by the following schedule for the development, standardization, and reporting requirements of the outcome measures.

- A.2.d.1) 90 days after Contract Commencement Date: The Contractor shall propose in writing to the Director of Mental Health Services the standardized outcome measures to be utilized statewide.
- A.2.d.2) 120 days after Contract Commencement Date: The Contractor shall have developed, in consultation with the Director of Mental Health Services, draft standardized performance

measurement instruments that can be used statewide. The instruments may vary based upon the treatment mission and geographical location, (e.g. Inpatient Special Needs Facility), but the instruments must be universal enough to yield meaningful information. A reasonable reporting schedule for service outcome data shall be determined within four months of the Contract effective date, based upon the type of service being measured (but not less often than quarterly).

- A.2.e. The Contractor shall submit to the State's Medical Director and Director of Mental Health, a monthly Service Utilization/Prevalence report that encompasses (but is not limited to) the following: general services provided, type of medication prescribed, dosage(s), inmate number, service date and associated drug costs. The facility and responsible mental health provider shall categorize information.
- A.2.f. The Contractor shall utilize expert-based guidelines for the delivery of psychiatric medications. The Contractor shall submit such guidelines to the State for review and approval no later than **thirty (30) days** after the Contract commencement date. Any future revision shall be approved by the State prior to implementation by the Contractor.
- A.2.g. The Contractor shall adhere to the specific performance measures outlined in **Exhibit One**. The State shall reserve the right to expand upon existing performance measures or create new ones.

The State's expectation is that the Contractor will comply with new performance measures no later than **30 days** after being notified of any new measure(s).

The Contractor shall report to the Director of Mental Health Services the results of any approved and functional performance/outcome measures. The information will be provided in both electronic and paper formats. The results will be utilized for service delivery comparisons such as, but not limited to, effectiveness of service delivery. During the developmental period, a distinction will be made as to whether the performance measure is determining the outcome of a specific program intervention or the expectation of the contractor.

- A.2.h. Upon approved written consent, the Contractor shall conduct or participate in the development of research studies in conjunction with State and/or any other professional entity deemed appropriate by the State.
- A.2.i. The Contract providers will actively participate, when applicable, with the State's Quality Assurance/Improvement program as it relates to mental health service delivery. The Contractor shall have in place a Quality Improvement Coordinator (QIC) who shall review and submit reports on the quality and effectiveness of the Contractor's staff and services rendered.
- A.2.j. When applicable, the appropriately licensed clinician will provide clinical supervision to psychological internship or practicum students. The Contractor's providers shall be available for teaching purposes.
- A.2.k. The State shall, when applicable, provide specialized training for sexual offender treatment programs. The Contractor shall follow the program philosophy and design standards as presented by the State.
- A.2.l. Upon request, the Contractor shall provide technical assistance to the TDOC Director of Mental Health Services and/or field personnel in developing the following programs: telepsychiatry, self-mutilator treatment, and behavior modification. The implementation date and treatment sites are to be determined.
- A.2.m. The Contractor shall designate a local individual with the overall responsibility for this Contract. This person shall be available to consult and coordinate service delivery with the State's Director of Mental Health and/or other designated state officials.
- A.2.n. When required, the Contractor shall enter specific service delivery information into the Tennessee Offender Management Information System (TOMIS). Training and access to the equipment shall be provided by the State.

- A.2.o. When a mental health professional leaves the Contractor's service, the Contractor will have thirty-one (31) days to secure a replacement. The Contractor will be assessed a Category I deficiency (See **Exhibit Two**) for each day a facility is without the direct services of a mental health professional following the 31-day grace period.
- A.2.p. The Contractor shall assure that adequate backup replacement coverage is in place to address the clinical service needs of any State facility.
- A.2.q. The Contractor shall distribute on a semi-annual basis a questionnaire addressing the existing satisfaction of services. This questionnaire shall be forwarded to each facility mental health coordinator for response. The questionnaire should target the mental health personnel, as well as key administrative and medical personnel.
- A.2.r. Upon expiration or early termination of this Contract, the Contractor agrees to cooperate with any treatment successor to effect an orderly and therapeutically efficient transition for those patients actively receiving care.
- A.2.s. The Contractor shall develop a documentation process for mental health services provided. The process shall be approved by the State. This process shall serve as a data collection mechanism for each contract provider.
- A.2.t. As supporting documentation, the Contractor shall submit to the institutional Warden or designee a copy of their encounter log.
- A.2.u. In addition to the initial background checks required under A.2.b., the State, at its discretion, may request criminal history record checks on any of the Contractor's employees or subcontractors. The State shall bear the cost of such criminal history record checks and invoices shall be submitted directly to the State for processing by the provider performing the background checks. If requested by the State, the Contractor must submit copies of driver's licenses and/or social security cards to be on file with the State.
- A.2.v. The Contractor shall at all times honor the security of the TDOC Tennessee Offender Management Information System (TOMIS) information and shall not misuse, abuse, alter, or attempt to alter the information contained within TOMIS, except as pertains to the use and data entry requirements necessary to fulfill the Contractor's obligations under the terms of this Contract.
- A.2.w. The State's Director of Mental Health and Director of Compliance shall review mental health performance measures to determine compliance. If services designated to the Contractor are deemed non-compliant, the State's Director shall submit to the Contractor a notice of non compliance citing the specific non-compliant issue(s), and liquidated damages shall apply as detailed in **Exhibit Two - Liquidated Damages Schedule**. The contractor's payment shall be reduced by the amount of any accrued assessment of liquidated damages beginning thirty (30) days after the date of the notice of non compliance.
- A.2.x. The Contractor shall not publish any outcomes based on data obtained from the operation of this Contract without prior written consent of the TDOC.
- A.2.y. The State may require the Contractor to modify staffing provisions if upon review, the provisions of services are deemed unacceptable in meeting the clinical or program needs at any given TDOC facility.

A.3. PSYCHIATRIC SERVICES

- A.3.a. Licensed physicians who are board certified in psychiatry shall provide psychiatric services. Under protocols approved by the supervising psychiatrist, the Advanced Practice Nurse (APN) may provide the delivery of psychiatric services. The Contractor shall ensure that the institutional health administrator has a copy of the protocol on site. Standards of practice shall be according to those of the community and in compliance with state and federal laws.

- A.3.b. The Contractor shall evaluate and diagnose in accordance with the current Diagnostic and Statistical Manual of Mental Disorders criteria those inmates referred by the Mental Health Treatment Team or other health care staff.
- A.3.c. The Contractor shall complete psychiatric evaluations/assessments as necessary and provide an individual treatment plan specific for those patients requiring psychiatric intervention to include medication. The psychiatrist/APN may be requested to perform 30-day segregation reviews.
- A.3.d. Patients shall have a documented physical assessment prior to the prescribing of a psychotropic medication.
- A.3.e. All medications shall be reviewed, and orders renewed if necessary, at least every ninety days.
- A.3.f. Patients receiving psychiatric medications shall receive a direct assessment from a psychiatrist or Advanced Practice Nurse (APN) prior to ninety (90) days elapsing.
- A.3.g. Pharmaceutical Responsibilities
 - A.3.g.1) The Contractor shall be responsible for the costs of all psychiatric medications prescribed by the Contractor's providers. The State shall reimburse the Contractor for fifty percent (50%) of the cost of all psychiatric medications as further detailed in the Payment Methodology at Section C.3.
 - A.3.g.2) The Contractor shall assign a qualified staff person to participate as a member of the State's Pharmacy and Therapeutics Committee, which meets regularly.
 - A.3.g.3) The Contractor is responsible for collaborating with and utilizing the Department of Correction's pharmacy vendor. The Contractor shall assign a qualified person as the primary liaison between the contractor and the pharmaceutical company as it pertains to delivering services described in the contract.
 - A.3.g.4) The Contractor shall submit a copy of the formulary to the State for the State's written approval prior to implementation. The formulary will include an acceptable range of psychiatric medications that encompasses new and older generation medications as well as generic equivalents, when applicable. The State and/or Contractor, through the utilization of the Pharmacy and Therapeutics Committee, can recommend the inclusion of other medications when clinically justified. The Contractor shall assure that all non-formulary requests are dealt with in an expedient manner.
- A.3.h. The Contractor shall provide consultation to mental health service staff and administrative staff and participate in the treatment team reviews on a regular basis.
- A.3.i. The Contractor shall provide accessibility for twenty-four (24) hours per day, seven (7) days per week per calendar year for emergency consultation with the mental health and/or health care staff. Such availability may be by telephone unless circumstances necessitate on-site delivery.
- A.3.j. The Contractor shall provide a direct assessment to a patient within seventy-two (72) hours from the time a telephone order was given for cases involving restrictive therapeutic dispositions.
- A.3.k. The Contractor shall provide clinical recommendations/consultations and coordination of patient referrals to other specialized TDOC programs, or designated contract hospitals or community based treatment programs when applicable.
- A.3.l. The Contractor shall provide an appropriate level of psychiatric monitoring of patients requiring psychotropic medication intervention.

A.3.m. Upon request by the TDOC Director of Mental Health and/or Institutional Mental Health Coordinator, the Contractor shall provide or assist in the provision of a mental health education program to other institutional staff, that shall include, but not be limited to, the following:

A.3.m.1) Early detection of potential mental health problems, i.e., signs and symptoms of mental illness, retardation, developmental disabilities, and chemical dependency.

A.3.m.2) Crisis intervention/suicide precaution.

A.3.m.3) Said services may be provided in a written format, audio/visual presentation, role-play, teleconferencing medium, etc.

A.4. PSYCHOLOGICAL SERVICES

A.4.a. The delivery of doctoral level psychological services shall be provided by psychologists with health service provider designation or Senior Psychological Examiners (SPE) who are licensed by the State of Tennessee or who have legal reciprocity to practice in the state of Tennessee. Standards of practice shall be according to those of the community and with state and federal laws.

A.4.b. The Contractor shall evaluate and diagnose, in accordance with the current Diagnostic and Statistical Manual of Mental Disorders criteria, those inmates referred by the Mental Health Treatment Team or other health care staff.

A.4.c. The Contractor shall complete psychological evaluations/assessments as requested and provide an individual treatment plan specific for those patients requiring psychological intervention(s).

A.4.d. The Psychologist/SPE will provide individual and/or group therapy/consultation.

A.4.e. The Contractor shall participate in the treatment team reviews.

A.4.f. The Contractor shall be responsible for twenty-four (24) hours per day, seven (7) days per week per calendar year for emergency consultation with the health care or other mental health staff. Such availability may be by telephone unless circumstances necessitate on-site delivery.

A.4.g. The Contractor shall provide clinical recommendations and coordination of referrals of patients to DeBerry Special Needs Facility or other specialized TDOC treatment units, or community-based treatment providers.

A.4.h. The Contractor shall provide clinical supervision and/or consultation to institutional psychological examiner(s), mental health program specialist(s), alcohol and drug counselors, and health care staff.

A.4.i. The Contractor shall complete the initial 30-day mental health assessment(s) and review and approve the 90-day mental health assessments on segregated inmates as policy dictates.

A.4.j. A psychologist will perform psychological evaluations upon the request of the Board of Probation and Parole. The Contractor shall be responsible for providing clerical support staff necessary to complete parole evaluations.

A.4.k. The Contractor shall provide psychological evaluations to all newly hired correctional officers with the Tennessee Department of Correction. Re-testing will be performed by the contractor on a case by case basis based upon requests from the State. Said evaluations shall be:

A.4.k.1) Centrally provided at the Tennessee Correctional Academy located in Tullahoma, Tennessee. The State may, in the future decentralize the evaluation process.

A.4.k.2) In consultation with the State Director of Mental Health, the contractor shall develop the screening protocol and or test battery. The State has the option to sub-contract all or part of the evaluation process including test administration and protocol analysis. The State will

communicate in writing its intention to utilize a vendor other than the contractor for this service.

- A.4.k.3) The Contractor may utilize mental health professionals who are licensed in the State of Tennessee to assist in providing psychological evaluations. Standards of practice shall be in accordance to those of the community and with state and federal laws.

A.5. UTILIZATION MANAGEMENT & REVIEW

Upon commencement of this agreement, the Contractor shall establish and maintain a system-wide utilization management and review program based upon evidence/ criteria-based clinical guidelines to evaluate the appropriateness and medical necessity of services being provided. The Contractor's utilization policy/procedures, guidelines and reporting format must be approved by the State within the first 90-days of effective date of the contract and annually thereafter.

- A.5.a.) Guidelines. The program shall provide written guidelines for the provision of efficient and quality oriented health care. The State may mandate changes to the Contractor's utilization criteria or utilization management policies and procedures at any time it deems necessary to serve the medical interests of inmates or the best interest of the state. Required elements of the utilization management program include:

- 1) Resolution of all specialty referrals to DeBerry Special Needs Facility or Tennessee Prison for Women within thirty (30) days from the time the provider makes the request. Delivery of specialty care services is required within the time limits specified by performance measures listed in Exhibit One of this contract.
- 2) Establishment of Specialty Referral Guidelines for Consultation Requests.
- 3) Development of an effective method to coordinate with the TDOC classification and transportation departments for inmate transfers and movement.
- 4) Establishment of designated staff to be responsible for the coordination and management of the utilization management process.
- 5) Annual training for staff, physicians, mid-level providers, clinic schedulers/coordinators, administrators, and others as appropriate.

- A.5.b.) Reporting Requirements. The Contractor shall submit monthly, quarterly, and annual reports to the State detailing patient care statistics, and the history of requests for specialty consultations and procedures. The reports required by this part shall be submitted in an electronic format acceptable by the State and shall at a minimum provide aggregate and individualized reports by physician, mid-level, inmate, service type, institution, etc. Clinical, administrative, and supervisory services shall be clearly labeled and reported separately. The Contractor shall use appropriate coding, e.g., Diagnostic and Statistical Manual of Mental Disorders, International Classification of Diseases. The Contractor shall provide the following reports:

- 1) TDOC daily inpatient/residential census with key data elements; and inpatient/residential days per month
- 2) Inpatient / residential days per month by diagnosis and Average Daily Census (ADC)/ Average Length of Stay (ALOS)
- 3) Diagnostic Code by facility and provider
- 4) Outliers, Variance / Variability
- 5) Specialty Consultations with key data elements.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on **January 1, 2007** and ending on **December 31, 2009**. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

- B.2. Term Extension. The State reserves the right to extend the Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5)

years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **seventeen million one hundred fifteen thousand dollars (\$17,115,000)**. The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the average daily population (in-house count at 10:30 p.m.) times the number of days in the month times the unit rate per inmate per day.

Cost Item Description	Proposed Cost				
	Year 1 1/1/2007 thru 12/31/2007	Year 2 1/1/2008 thru 12/31/2008	Year3 1/1/2009 thru 12/31/2009	Year 4* 1/1/2010 thru 12/31/2010	Year 5* 1/1/2011 thru 12/31/2011
Unit rate per inmate per day	\$.85	\$.87	\$.90	\$.92	\$.95

* This rate would apply if the contract is extended by amendment.

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

Payment shall be based on the State's daily (10:30 p.m.) count of inmate population. Each month, the State shall provide information to the Contractor regarding inmate population. The Contractor will use the State's information to prepare its monthly invoice to the State. Such invoices shall, at a minimum, include the inmate population data, the rate charged, and the total amount due the Contractor for the period invoiced.

The State shall reimburse the Contractor for fifty percent (50%) of the cost of all psychiatric medications prescribed by the Contractor's providers (See Section A.3.g.). Reimbursement does not include administrative charges for items such as processing, handling, etc. The Contractor shall submit documentation, in form and substance, acceptable to the State, prior to any reimbursement.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least **ninety (90) days** written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under **Tennessee Code Annotated**, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties'

agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Jeanine Miller, Director of Mental Health
Department of Correction
3rd Floor, Rachel Jackson Building
320 Sixth Avenue North
Nashville, Tennessee 37243-0465
Telephone: 615-741-1000 ext. 8163
Fax: 615-532-3065

The Contractor:

John Trageser, Program Director, Tennessee
MHM Correctional Services, Inc.
1808 West End Avenue, Suite 551
TELEPHONE NUMBER: 615-327-1022
FACSIMILE NUMBER: 1-800-871-3565

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:
- failure to perform in accordance with any term or provision of the Contract;
 - partial performance of any term or provision of the Contract;
 - any act prohibited or restricted by the Contract, or

— violation of any warranty.

For purposes of this contract, these items shall hereinafter be referred to as a "Breach."

a. Contractor Breach— The State shall notify Contractor in writing of a Breach.

- (1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, **Exhibit Two** and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken

- (4) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The

Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. **State Breach**— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

- E.5. **Partial Takeover.** The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.6. **Performance Bond.** Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount equal to **One Million Dollars (\$1,000,000)**, guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

The Contractor shall obtain the required performance bond in form and substance acceptable to the State and provide it to the State no later than **November 10, 2006**. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of **One Million Dollars (\$1,000,000)**, may be substituted if approved by the State prior to its submittal.

- E.7. **Printing Authorization.** The Contractor agrees that no publication coming within the jurisdiction of **Tennessee Code Annotated**, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by **Tennessee Code Annotated**, Section 12-7-103 (d).
- E.8. **Competitive Procurements.** This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or services. Such procurements shall be made on a competitive basis, where practical.

E.9. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.

E.10. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments
- d. Technical Specifications provided to the Contractor
- e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

E.11. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

E.12. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

E.13. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.

E.14. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.

E.15. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard

the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

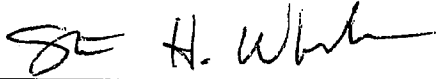
The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit the Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.16. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in ***Tennessee Code Annotated***, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.

IN WITNESS WHEREOF:

MHM Correctional Services, Inc.:

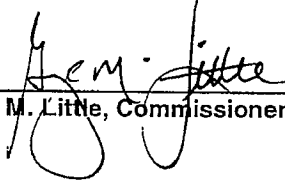


Steven H. Wheeler, President and COO

10-26-06

Date

DEPARTMENT OF CORRECTION:



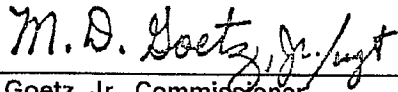
George M. Little, Commissioner

11-3-06

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

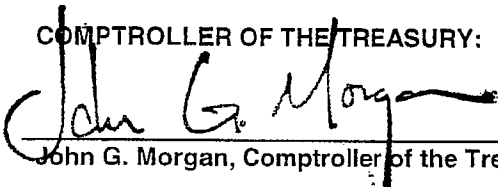


M. D. Goetz, Jr., Commissioner

NOV 16 2006

Date

COMPTROLLER OF THE TREASURY:



John G. Morgan, Comptroller of the Treasury

11-20-06

Date

Contract Reference	Policy Reference	Contract Requirement	Monitoring Process	Reporting Frequency	Date	Compliant Y/N	Deficiency Level
		75% of surveyed TDOC sites rated their experience with contract personnel to be fair to good. 90% rated it as good to excellent.	Review surveys from institutions.	Annually			III
		At least 95% of the time, the psychiatrists and/or APNs respond to emergency inquiries within one (1) hour.	Review logs from answering service. Check charts at facilities for verification purposes.	Semi-Annually			II
	113.87	At least 100% of psychiatrists and/or APNs providing emergency phone consultation will see patients within a 72 hour period from the time of the original phone order.	All applicable CR-3082's will be reviewed.	Quarterly			II
	113.82	At least 100% of referrals to psychiatry of a specialty nature shall be seen within a 14 day time period.	Review of patient medical file.	Annually			II
	113.82	At least 100% of routine referrals to the psychologist shall be seen within a 30 day time period.	Review of medical charts.	Quarterly			II
	113.85	At least 95% of all patients warranting a treatment plan will have been reviewed, signed and dated by the psychiatrist/APN/psychologist. Any applicable diagnoses will have been assigned to each patient.	Review a sample of medical charts of patients receiving psychotropic medications or counseling.	Quarterly			III
	113.85	All Treatment plans are updated as needed but no less than every six (6) months. Rationale for continued treatment is clearly documented.	Review medical of all patients receiving psychotropic medications or counseling.	Quarterly			III
		At least 98% of patients who are discontinued from psychotropic medications or counseling after receiving services will have clearly written discharge summaries.	Review of progress notes.	Quarterly			III
	113.89	All patients receiving psychotropic medications shall be personally examined by the psychiatrist at least once every 12 months with the appropriate documentation present.	Review a sample of medical charts of patients on psychotropic medications.	Quarterly			II
	113.89	At least 95% of patients prescribed psychotropic medications will have met directly with a psychiatrist or APN every 90 days.	Pull psychotropic medication list and review a sample of medical charts.	Quarterly			II
	113.89	Review a minimum of 12 charts from the APN caseload. Ensure each patient was directly assessed by a psychiatrist within the past year.	Pull psychotropic medication list and review 12 random charts.	Quarterly			III
		The psychologist at each facility will maintain an active caseload of at least five (5) patients for individual counseling. Each file shall contain current treatment plans. Discharge summaries will be available for those clients no longer receiving services.	Pull charts of patients as listed as receiving individual therapy. Check medical files to ensure documentation and rationale for treatment.	Quarterly			III
A.3.m		The Psychologist at each facility shall provide training no less than quarterly to select staff other than mental health personnel in the areas of crisis intervention/suicide precaution programs, early detection of potential mental health problems such as signs and symptoms of mental illness, developmental disabilities and chemical dependency.	The Mental Health Coordinator (MHC) shall maintain a record of all training conducted by the psychologist noting the subject matter and including a signed roster of attendees.	Quarterly			III

Contract Reference	Policy Reference	Contract Requirement	Monitoring Process	Reporting Frequency	Date	Compliant Y/N	Deficiency Level
	113.88	Quality Improvement Reviews (QIR) are initiated and findings summarized within 14 days following a completed suicide or clinically justified suicide attempt. Copies of all QIR's have been forwarded to the Director of Mental Health.	Review all available QIR reports at the institution.	Quarterly			III
	113.88	Inmates who are severely disturbed and/or mentally retarded are referred for placement in specifically designated TDOC units for handling. These transfers follow due process procedures prior to the move being effected. In emergency situations, a hearing is held as soon as possible after transfer. (Utilize CR-3324 for due process hearing.) (Utilize CR-3327 for mental health transfer referrals.)	From the Mental Health Coordinator's files, ask to review all applicable referrals for the past quarter.	Quarterly			III
	113.84	A psychologist/psychiatrist personally interviews all inmates placed in segregation status within 30 days of initial placement. At least every 90 days thereafter this screening is performed by a licensed mental health professional. (Use CR-2629 for documentation purposes.)	Review list of segregated inmates maintained by the Mental Health Coordinator. Review medical files to ensure that 30 and 90 day evals are being done.. Ensure psychologist has reviewed and approved the 90 day reviews when applicable.	Quarterly			II
	113.84	All Parole evaluations are completed by a licensed psychologist on inmates as required by the Board of Parole. A licensed psychological examiner may provide assistance.	Review all parole evaluations completed by the psychologist since the last monitoring visit.	Quarterly			III
	113.89	At least 95% of Medication Information Fact Sheets and Informed Consent Forms are completed prior to providing an inmate psychotropic medication in accordance with federal regulations and TDOC policy.	Review a random sample of charts of inmates who are receiving psychiatric services.	Quarterly			II
A.3.a A.4.a		All contract practitioners shall possess valid and current State of Tennessee licenses that provides for them to practice under the scope of law. Psychiatrists shall possess a valid DEA number.	Review licenses of each contract provider at the institution where they are employed.	Annually			I

NOTES:

- ☐ Upon review of any pertinent Mental Health service delivery the State reserves the right to assess damages due to sub-standard services. Said damages will follow those outlined in **Exhibit Two**. Furthermore, the State will then, within 30 days, make that deficient area an official part of the performance measures.
- ☐ Psychiatric sample sizes shall be pulled randomly on the following basis. If an institution's psychotropic population is 100 or less, twelve (12) charts shall be pulled. If the psychotropic population exceeds 100 at the institution, twenty (20) charts shall be pulled.
- ☐ The State reserves the right to re-inspect deficient items on a more frequent time schedule than listed above.
- ☐ The State further reserves the right to add, modify, or utilize any objective measure(s) as a means of monitoring the performance of this contract. The State shall provide the Contractor with a 30-day advance notice of any new or modified performance measure changes.

EXHIBIT TWO

LIQUIDATED DAMAGES SCHEDULE

Deficiency Level	Definition	Liquidated Damages
I	A performance standard that, if not met, is likely to be physically or psychologically distressing to the patient(s). There will be a disruption in the quality of care and/or policy adherence.	\$500.00
II	A performance standard that, if not met, has the potential to adversely impact the care of a patient(s) and/or adversely impact administrative and/or clinical practice.	\$250.00
III	A performance standard that, if not met, prevents the State from monitoring the Contractor's performance and/or may adversely impact the continuity of patient care and/or administrative operations.	\$100.00

- Level III performance standard items found to be deficient at least twice in a four audit cycle will be fined at the appropriate level.
- Level III performance standard items that are found to be deficient (4) consecutive times are subject to be fined at a Level II rate.
- The State reserves the right, depending upon the seriousness of the deficiency, to levy appropriate fines at either a Level I or Level II rate.

EXHIBIT THREE

MINIMUM PSYCHIATRIC STAFFING REQUIREMENTS

Institution	Total Beds Available	* No. Inmates received mental health service	** No. Inmates on psychotropic medications	% of the facility population	Psychiatrist	Psychologist	Advanced Practice Nurse	Minimum FTE
Brushy Mountain Correctional Complex [RC]	1603	289	233	18.93	.125	.4	.4	.925
Charles Bass Correctional Complex [RC]	1110	95	106	9.42	.125	.2	.4	.725
Lois M. Deberry Special Needs Facility [R]	800	228	276	36.66	2.00	0	1	3.00
Mark H. Luttrell Correctional Complex [G]	440	105	90	24.88	.15	.15	0	.3
Northeast Correctional Complex [G]	1856	167	273	9.30	.38	.25	0	.63
Northwest Correctional Complex [G]	2425	236	231	10.32	.4	.4	.2	1.00
Riverbend Maximum Security Institution [G]	736	65	67	9.38	.175	.2	0	.375
Southeastern Tennessee Regional Correctional Facility [G]	981	116	99	12.29	.125	.125	.2	.45
Tennessee Prison for Women [RC]	775	262	290	35.12	.2	.2	.6	1.00
Turney Center Industrial Prison [G]	1136	94	65	8.59	.125	.2	0	.325
Wayne County Boot Camp [G]	450	22	36	5.80	.175	.1	0	.275
West Tennessee State Penitentiary [RC]	2582	468	215	18.92	.3	.4	.2	.900

* As of January 31, 2006

** As of February 28, 2006

Key: G = general population

R = residential

RC = reception center

EXHIBIT FOUR
EXAMPLES OF ROUTINE AND ANCILLARY SERVICES

ROUTINE SERVICES

- Triage – records and chart reviews
- Assessment
 - Classification
 - Crisis Intervention
 - Therapeutic Segregation
 - Maximum Custody
 - Sex offender placement
- Evaluation
- Psychological Testing
- Treatment planning and Treatment team
- Liaison Services
- Continuous Quality Assurance – suicide reviews

Reference 113.81.1 Mental Health Encounter Logs

ANCILLARY SERVICES

Anger Management
Decision Making
Interpersonal (Divorce, Parenting, Family of Origin, Abortion,
Miscarriage, Sex Abuse Survivor, Bereavement)
Low Functioning
Max Inmates (in cell)
Sex Offender Aftercare
Substance Abuse Education or Awareness
Violence Intervention
Domestic Violence
Continuing Education